
By: Senators Hollinger, Boozer, Della, Collins, Dyson, Derr, Lawlah, Middleton, Hafer, Ruben, and Teitelbaum

Introduced and read first time: January 30, 1996

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Health Maintenance Organizations - Office of Ombudsman**

3 FOR the purpose of requiring the Secretary of the Department of Health and Mental
4 Hygiene, with the advice of the Insurance Commissioner, to adopt regulations
5 establishing an Office of Health Maintenance Organizations Ombudsman for
6 providers and consumers; requiring a certain notice to be included in certain
7 contracts; requiring the Office of Ombudsman to submit a certain report containing
8 certain information; requiring certain information to be reported to the General
9 Assembly; and generally relating to establishment of an Office of Health
10 Maintenance Organizations Ombudsman.

11 BY repealing and reenacting, with amendments,
12 Article - Health - General
13 Section 19-705.2
14 Annotated Code of Maryland
15 (1990 Replacement Volume and 1995 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
17 MARYLAND, That the Laws of Maryland read as follows:

18 **Article - Health - General**

19 19-705.2.

20 (a) With the advice of the Commissioner, the Secretary shall adopt regulations
21 [to]:

22 (1) TO establish a system for the receipt and timely investigation of
23 complaints of members and subscribers of health maintenance organizations concerning
24 the operation of any health maintenance organization in this State; AND

25 (2) TO ESTABLISH AN OFFICE OF HEALTH MAINTENANCE
26 ORGANIZATIONS OMBUDSMAN FOR PROVIDERS AND CONSUMERS AND TO ENSURE
27 THAT EACH COMPLAINT IS DIRECTED TO THE DEPARTMENT OR THE MARYLAND
28 INSURANCE ADMINISTRATION, WHICHEVER IS THE APPROPRIATE REGULATOR.

29 (b) The complaint system shall include:

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1 (1) A procedure for the timely acknowledgement of receipt of a complaint;

2 (2) Criteria for determining the appropriate level of investigation for a
3 complaint concerning quality of care, including:

4 (i) A determination as to whether the member or subscriber with the
5 complaint previously attempted to have the complaint resolved; and

6 (ii) A determination as to whether a complaint should be sent to the
7 member's or subscriber's health maintenance organization for resolution prior to
8 investigation under the provisions of this section; and

9 (3) A procedure for the referral to the Commissioner of all complaints,
10 other than quality of care complaints, for an appropriate investigation.

11 (c) If a determination is made to investigate a complaint under the provisions of
12 this section prior to the member or subscriber OR PROVIDER attempting to otherwise
13 resolve the complaint, the reasons for that determination shall be documented.

14 (d) Notice of the complaint system AND OFFICE OF OMBUDSMAN established
15 under the provisions of this section shall be included in all contracts between a health
16 maintenance organization and a member or subscriber of a health maintenance
17 organization AND IN ALL CONTRACTS BETWEEN A HEALTH MAINTENANCE
18 ORGANIZATION AND A PROVIDER.

19 (E) ON OR BEFORE JANUARY 1 OF EACH YEAR, THE OFFICE OF OMBUDSMAN
20 SHALL REPORT TO THE SECRETARY AND COMMISSIONER ON SYSTEMIC PROBLEMS
21 OR ISSUES AFFECTING THE QUALITY, COST, PAYMENT, ACCESS, OR DELIVERY OF
22 SERVICE. THE SECRETARY AND COMMISSIONER SHALL INVESTIGATE SYSTEMIC
23 PROBLEMS OR ISSUES AND JOINTLY SHALL ISSUE A REPORT TO THE GENERAL
24 ASSEMBLY, SUBJECT TO § 2-1312 OF THE STATE GOVERNMENT ARTICLE. THE REPORT
25 TO THE GENERAL ASSEMBLY SHALL INCLUDE FINDINGS AND, IF APPROPRIATE,
26 MAKE RECOMMENDATIONS TO RESOLVE THE PROBLEMS OR ISSUES.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 October 1, 1996.